URS

November 29, 2001

Mr. Jerry Hintze, P.E.
Assistant Superintendent of Technical Services
Intermountian Power Service Corp.
850 W. Brush Wellman Road
Delta, UT 84624-9546

Subject: Contract 01-45527 – OverScrub™ Technology

Dear Jerry,

We have reviewed your request in the attached email. URS agrees that the data from the last round of testing conducted by IPSC has some "obvious errors". URS believes firmly that the testing we conducted in September 2001, clearly shows that we have met the requirements of the referenced contract. URS agrees with IPSC that further testing of the modified module is not warranted and a full unit test will yield the most definitive results.

In an effort to continue our excellent ongoing relationship with IPSC we will agree to modify our existing contract. URS proposes the following general terms in response to your request for further assurances that the absorber modifications will perform as stipulated.

We would propose that contract be modified with the following terms.

- IPSC agrees to pay the initial $232,000 invoice immediately, per the terms of the existing contract.
- IPSC provides a detailed schedule of absorber modifications such that it is clear when the fourth module on one boiler unit will be modified. The performance test will be scheduled as soon after this time as is practical.
- IPSC provides enough historical data to accurately and fairly evaluate the post-modified performance using the CEMS.
- IPSC agrees to test the four modified towers as soon as possible after completion of the modification, with all three pumps in service on all four modified towers.
- IPSC pays URS to modify the original design to reflect changes in the shelf design and placement per the description below. (Estimated to be less than $5,000 worth of engineering).

- URS agrees to warrant that the performance of the four modified modules on one unit will reduce the pre-modified (historical) SO_2 emissions by 50%.
    - In the event that the actual emissions reduction is between 45% and 50% the total URS compensation will be 90% of the current contractual value.
    - In the event that the actual emissions reduction is between 35% and 45% the total URS compensation will be 60% of the current contractual value.
    - In the event that the actual emissions reduction is between 25% and 45% the total URS compensation will be 50% of the current contractual value.
    - In the event that the actual emissions are reduced by less than 25%, then the total URS compensation will be 0% of the current contractual value, and URS will refund all fees, excluding costs for testing, and engineering.
- URS will have the right to offer technology and recommend modifications to IPSC to improve performance at no cost to IPSC in the event that the 50% reduction in SO_2 emissions performance level is not achieved
- If the four modified modules meet the required performance (50% reduction in SO_2 emissions as measured by the CEMS and compared to historical data) then IPSC agrees to pay the second installment of $230,000 within thirty days of the verification testing.

Proposed Engineering Modification

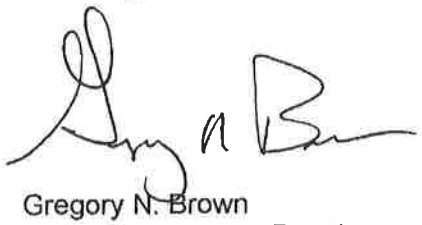
URS would propose the following modification to the original design based on the data collected during the demonstration module testing. This overall should reduce the installed cost for the entire system for IPSC.

1. Plan on placing the rings between levels one and two and levels two and three on all modules.
    - This will save substantial field fit up cost associated with installing ring on the sloped part of the outlet.
    - This will for the gas into the center of the vessel even through the top spray level providing further effectiveness of this last spray level.
    - This change is not recommended if IPSC is seriously considering operation of the modules without the top spray level in service.
2. Extend the length of the ring on the wall and corners closest to the gas outlet duct by a total of 6 inches.

- This will force the gas distribution more effectively off the inner wall of the tower. The test data showed that only 24%-26% of the mass emissions on the unmodified tower came from this wall, but 30%-34% of the mass emissions came from this wall on the modified tower under three-pump operation.

URS hopes to work with IPSC on further projects such as the potential IFO conversion or even the FGD supply for the Unit 3 boiler being contemplated. We hope this letter demonstrates our willingness to work cooperatively with IPSC now and in the future. We look forward to your timely response to our offer.

Sincerely,



Gregory N. Brown
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